

CITY OF MUSKEGON
DOWNTOWN DEVELOPMENT AUTHORITY (DDA) /
BROWNFIELD REDEVELOPMENT AUTHORITY (BRA)
REGULAR MEETING
MINUTES

October 8, 2019

Chairperson M. Bottomley called the meeting to order at 10:34 AM and roll was taken.

MEMBERS PRESENT: M. Kleaveland, F. DePung, D. Pollock, M. Johnson, J. Riegler, M. Bottomley, J. Moore, P. Edbrooke, J. Wallace Jr, B. Hastings, D. Kalisz

MEMBERS ABSENT: H. Sytsema, excused; F. Peterson, excused

STAFF PRESENT: D. Alexander, M. Franzak, Planning Director; L. Mikesell, Director of Development Services; B. Lewis, Finance Director; D. Renkenberger, Administrative Assistant

OTHERS PRESENT: D. Stegink, Envirologic; T. Wasserman, Core Development, Brian Bench, Core Development; C. Brubaker-Clarke, Brownfield consultant, R. Wilson, Fishbeck, Thompson, Carr & Huber, Inc; J. Kamp, Pigeon Hill

APPROVAL OF MINUTES

A motion to approve the regular meeting minutes of September 10, 2019 was made by J. Riegler, supported by J. Moore and unanimously approved.

BRA BUSINESS

Brownfield Plan Amendment for 1208 8th Street – D. Alexander introduced a new project to add to the city's Brownfield Plan. This building was located at 1208 8th St. and owned by Core Development. The building was formerly a car dealership but it had been vacant for some time. Core Development planned to redevelop the building as a mixed-use commercial property and possible office space.

D. Stegink from Envirologic presented the plan amendment. T. Wasserman and B. Bench discussed Core Realty and their plans for the property. They intended to market it to others for development, with 3 commercial units available. M. Bottomley asked what type of commercial business, and if they had considered residential. B. Bench stated that, based on interest so far, a food-related business was likely. While they were not opposed to residential use there, they believed that the highest and best use was commercial. M. Johnson asked if they were using traditional financing for the project, and if they had secured the financing yet. B. Bench stated that they had already secured traditional financing. D. Stegink discussed the details of the plan amendment and what the funds would be used for, including reimbursing the applicant for eligible costs, public infrastructure improvements, and rearranging the parking. He stated that this property was also part of an Obsolete Property district, which would freeze the taxable value for 12 years, delaying the increase in taxable value for the DDA.

J. Wallace arrived at 10:44 AM.

M. Bottomley asked which part of the adjacent parking lot was included with the subject property. D. Stegink stated that they had the east part of the parking lot, but the parking in the plan amendment referred to on-street parking. M. Johnson asked what the construction schedule was. T. Wasserman stated that it had already started. D. Alexander stated that he had not heard of any concerns about the

plan from city staff or the city attorney. L. Mikesell asked D. Stegink to make sure the board was aware of this plan's effect on the DDA. D. Stegink stated that the building was located within the DDA district, but the DDA would be stepping aside and foregoing collection of tax increments. D. Alexander stated that it should be addressed in the motion. C. Brubaker-Clarke stated that it was also addressed in the resolution. D. Stegink discussed the costs involved in the project. C. Brubaker-Clarke assisted with the wording needed for a motion.

A motion to approve the Resolution for the revised Brownfield Plan Amendment for 1208 8th Street (Core Development, LLC) with the understanding that the DDA will forego its collection of tax increments, and forwarding notice to the City Commission to set a public hearing, was made by M. Johnson, supported by J. Moore and unanimously approved with M. Kleaveland, F. DePung, D. Pollock, M. Johnson, J. Riegler, M. Bottomley, J. Moore, P. Edbrooke, J. Wallace Jr, B. Hastings, and D. Kalisz voting aye.

Windward Pointe Brownfield Reimbursement request – C. Brubaker-Clarke was the City's consultant on this project and she had reviewed the paperwork related to this 4th request for reimbursement. She stated that Roman Wilson was present from Fishbeck, Thompson, Carr & Huber, Inc and could answer questions about the project. R. Wilson discussed the work being done and the site and the associated costs, and stated that they had been in discussions for development with an interested party. D. Alexander stated that he and M. Franzak had met with an investor who intended to bring a request for a new state program called a transformational Brownfield Plan, which was larger than a regular Brownfield amendment and was reserved for large projects that affected more than only the local community. This type of plan was new and required approval by the State of Michigan once the DDA/BRA had approved it. There were no specifics on the plan yet, but D. Alexander wanted to make sure that board members were aware of it since it was new.

A motion to approve the reimbursement request for Windward Pointe was made by J. Riegler, supported by J. Wallace and unanimously approved, with M. Kleaveland, F. DePung, D. Pollock, M. Johnson, J. Riegler, M. Bottomley, J. Moore, P. Edbrooke, J. Wallace Jr, B. Hastings, and D. Kalisz voting aye.

Pigeon Hill Brownfield Reimbursement request – D. Alexander introduced C. Brubaker-Clarke as the consultant on this project. This was Pigeon Hill's first reimbursement request, and C. Brubaker-Clarke had prepared a memo to the board outlining the details. J. Kamp discussed Pigeon Hill's new facility and their future plans. C. Brubaker-Clarke stated that she had reviewed the paperwork and recommended approved of the reimbursement request. D. Alexander asked if there were administrative costs included in the request. C. Brubaker-Clarke stated that there were not.

A motion to approved Pigeon Hill's reimbursement request as presented was made by B. Hastings, supported by D. Kalisz and unanimously approved, with M. Kleaveland, F. DePung, D. Pollock, M. Johnson, J. Riegler, M. Bottomley, J. Moore, P. Edbrooke, J. Wallace Jr, B. Hastings, and D. Kalisz voting aye.

Sweetwater Development – 1st amendment to Development & Reimbursement (D&R) Agreement – D. Alexander stated that Sweetwater Development's project was a proposed mixed-use development called The Leonard building on Western Avenue. They were asking to amend their approved D&R Agreement to add another party to it. The request was due to Opportunity Zone funding and IRS requirements. The party/name to be added to the agreement is Sweetwater Development Partners, LLC. A motion to add Sweetwater Development Partners, LLC to the Development & Reimbursement Agreement as requested, was made by J. Riegler, supported by J. Wallace Jr and unanimously approved, with M. Kleaveland, F. DePung, D. Pollock, M. Johnson, J. Riegler, M. Bottomley, J. Moore, P. Edbrooke, J. Wallace Jr, B. Hastings, and D. Kalisz voting aye.

DDA BUSINESS

DDA Financial report – B. Lewis updated board members on the most recent developments concerning the DDA's budget. She had met with City Manager F. Peterson and the City Treasurer S. Petersen and had adjusted budget numbers based on their discussion. She informed the board that the total \$1,000,000 payment to the County would be made this year and although the DDA budget would be in the red, there was a fund balance from last year that would help offset that. B. Hastings noticed that there were no longer funds in the budget for marketing and publication. D. Alexander stated that those items would be paid from the BID budget this year, as would snow removal, landscaping, and Christmas decorations. The BID would continue through December of 2020. B. Lewis stated that the City Clerk's office was also working on downtown events.

A motion to approve the amended budget as submitted was made by M. Johnson, supported by J. Moore and unanimously approved, with M. Kleaveland, F. DePung, D. Pollock, M. Johnson, J. Riegler, M. Bottomley, J. Moore, P. Edbrooke, J. Wallace Jr, B. Hastings, and D. Kalisz voting aye.

DDA Budget Update/BID Renewal discussion – D. Alexander discussed the revised budget and the BID, and stated that he was not sure if the BID would be renewed after 2020. He stated that D. Pollock and J. Riegler were also on the BID board and they may be able to gauge the feelings of that board regarding another BID renewal. D. Pollock stated that the BID was originally intended to be a bridge between past income and future DDA contributions for the downtown. It had been 5 years now, and significant changes were needed if the BID were to continue. Several property owners had had appeals granted by the state tax tribunal and the area of the BID needed to be decreased to better reflect the areas benefitting from its services. L. Mikesell stated that she hoped the BID board understood the DDA budget issues and that the BID could be extended. D. Pollock stated that the BID board members would vote on it, the tax tribunal would have an effect on it, and the City Commission would have to approve it. B. Hastings asked how properties in the BID were assessed. D. Pollock stated that commercial properties were assessed based on square footage. It did not include residential properties or non-profit organizations.

D. Alexander also brought up the issue of paid parking. He stated that staff anticipated that it would be needed sooner than originally thought, as development on Foundry Square, the Convention Center, and development on other lots currently used for parking would have an effect on downtown parking availability. If paid parking was installed in parking lots, the city would also need to change on-street spaces to paid parking. Staff and board members discussed the parking issues.

DDA/BID Letter of Understanding (LoU) – D. Alexander informed the board that he needed them to approve the Letter of Understanding that was included in the meeting packet. The letter addressed DDA and city staff support to the BID, and its finances and future. It replaced the LoU that previously existed between Downtown Muskegon Now (DMN) and the BID.

A motion to approve the Letter of Understanding between the DDA and the Downtown Business Improvement District (BID), was made by B. Hastings, supported by J. Wallace and unanimously approved, with M. Kleaveland, F. DePung, D. Pollock, M. Johnson, J. Riegler, M. Bottomley, J. Moore, P. Edbrooke, J. Wallace Jr, B. Hastings, and D. Kalisz voting aye.

DDA-DMN Merger expectations – Per M. Bottomley's request, D. Alexander had composed a memorandum to the DDA board reviewing the responsibilities the DDA had taken over from the merger with DMN and updating the status of those items.

Economic Development – D. Alexander provided an update on upcoming holiday events and ongoing development projects.

There being no further business, the meeting was adjourned at 12:00 PM.